

## **OFFICE OF THE INSPECTOR GENERAL**

### **MISSION/VISION STATEMENT**

We improve the Social Security Administration's (SSA) programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, investigations, and evaluations. By conducting independent and objective audits, investigations, and evaluations, we act as agents of positive change striving for continuous improvement in SSA programs, operations and management, and in our own office. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public (our stakeholders).

The Office of the Inspector General (OIG) will be an organization that commands respect, meets the needs of its customers and stakeholders, focuses on performance and results, and values its investment in its employees.

### **STATEMENT OF PRINCIPLES AND VALUES**

As guardians of the public trust, we will

- work with SSA, the Congress, and our stakeholders to build public confidence in SSA;
- maximize the positive effects of our audits, investigations, and evaluations;
- use our audits, investigations, and evaluations to increase Government integrity and recommend improved systems to prevent fraud, waste, and abuse;
- be innovative in our assessments of existing policies and procedures and suggest improvements where appropriate;
- build professional relationships with SSA program managers based on mutual respect and a shared commitment to improving program operations and enhancing effectiveness;
- strive to continually improve the quality and usefulness of our products;
- ensure the independence and objectivity of our audits, investigations, and evaluations;
- focus our audits on strategic goals and objectives in SSA's Strategic Plan while vigorously maintaining our independence, as mandated by the Inspector General Act of 1978; and
- create a positive work environment for all OIG employees where all employees are encouraged to reach their full potential.

# OFFICE OF THE INSPECTOR GENERAL

## STRATEGIC PLAN

### Strategic Assessment

The only constant in the Government is change, and the OIG is facing changes on many fronts. As the baby-boomer generation approaches retirement age, SSA must prepare for an unprecedented demand for Social Security benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) program. This increase in SSA's volume of work, coupled with a decrease in its personnel levels, changes in eligibility requirements, and increased emphasis on electronic processing, will inevitably create opportunities for fraud and abuse. SSA's downsizing has resulted in increased responsibilities for individual employees with fewer controls. Raising the retirement age, for example, might lead to more disability fraud as individuals seek methods to stop working at an earlier age. Changes in welfare and immigration policy could increase the use of fraudulent identification to gain access to the workplace or to Supplemental Security Income (SSI) payments. Further, the Social Security number has become a universally accepted national identifier and, as a result, is used to conduct many economic crimes. Finally, the increased use of technology and on-line capabilities has spawned crimes that were unheard of a decade ago.

Growth in Agency workloads such as disability determinations and integrity alerts is creating workload backlogs that are difficult to manage. Complexity of the SSI program has led to inconsistent implementation of program requirements and consequent errors in benefit payments. SSA's ambitious systems development plan is encountering delays, questionable results, and competing priorities. SSA's critical systems are vulnerable to exploitation. An exponential increase in fraud referrals to the SSA Fraud Hotline underscores the challenge facing the Agency and the OIG to prevent and detect fraud.

The OIG will assist the Agency in meeting its challenges by providing accurate and unbiased assessments of SSA programs and operations. In addition, OIG efforts to prevent and detect fraud, waste, and abuse will help ensure that trust fund monies are expended only on behalf of individuals who are entitled to benefits. The OIG will also play an important role in overseeing the Agency's implementation of and reporting on the *Government Performance and Results Act of 1993* (GPRA).

The OIG will not be immune to the changing demographics and expectations of America's work force. Our recruitment and training efforts are aimed at preventing the "brain drain" that will be caused when many experienced OIG personnel retire within a short time frame. We must offer employment opportunities that are competitive with the private sector as well as other Federal entities. We must also ensure that our employees receive extensive training as new technologies emerge so they can use these state of the art products in conducting their audits and investigations.

As Congress and the Administration seek to reach a balanced level of Federal presence over the next few years, we will be competing with other Federal entities within our appropriation for available resources. Therefore, we must demonstrate that we are capable of confronting the challenges that are inherent in these changing times.

## **OIG Assessment**

Our ability to perform the number of audits and investigations that are necessary to make a difference is determined by the number of auditors, evaluators, criminal investigators, and support staff available; the funds available for travel, training, and professional development; the equipment and information resources available; and the availability of assistance as needed from other Federal, State, and local law enforcement entities or State agencies. Our audits are performed in accordance with the standards established by the General Accounting Office, the American Institute of Certified Public Accountants, and the President's Council on Integrity and Efficiency (PCIE). Our investigations are performed in accordance with the standards established by the PCIE and the Department of Justice.

Our audits are outlined in our annual Work Plan, which is developed in consultation with our stakeholders. When we develop our Work Plan, we consider the needs of our stakeholders, statutory requirements, current and potential dollar magnitude, adequacy of internal controls, prior audits, etc.

The results of our audits and evaluations are conveyed in written reports that contain recommendations to improve and enhance payment accuracy and address long-term trust fund solvency matters; program and operational performance; internal controls to prevent and detect fraud, waste, and abuse; and financial management. We issue early alerts when our audit or evaluation discloses a particularly serious situation that warrants immediate management attention. We also issue collaborative reports on our participation in intergovernmental and SSA task forces, internal quality review reports, and responses to congressional inquiries as well as SSA's senior management.

Through our audits and evaluations, we provide SSA management with recommendations to achieve cost savings, put funds to better use, improve operational and financial performance, improve payment accuracy, and enact legislative and regulatory changes. Our participation in the triennial peer review process will provide recommendations for another OIG to improve its operations and will provide us with insight to enhance our own audit function.

The OIG has developed an aggressive approach to reducing fraud by promoting the SSA Fraud Hotline and by increasing the number of internal fraud referrals. The Strategic Enforcement Division also plans proactive operations and coordinates risk analyses and program fraud vulnerability studies. We develop our investigative plans by considering SSA's Strategic Plan, fraud referrals by SSA employees and others, specific trends in SSA-related fraud and general trends in law enforcement, and information gleaned from our participation in intergovernmental and SSA task forces.

As a result of our investigative efforts, SSA and other affected entities take action to prevent future criminal activities. Our efforts lead to indictments, convictions, prison sentences, fines and recoveries, and the assessment of civil penalties. Our activities enhance stakeholders' confidence in SSA.

Often, our investigative reports are presented to the Department of Justice when evidence suggests that a Federal law has been violated. We also produce Management Advisory Reports that advise SSA's senior staff of weaknesses in SSA systems and internal controls that could allow criminal activity to occur without immediate detection. Our audit and investigative efforts are supported by our Office of Management Services, Office of External Affairs, and Counsel to the Inspector General. While goals for these organizations are not included in our overall Strategic Plan, these vital service components have developed specific internal goals and performance measures.

Over the next 5 years, OIG will increasingly focus its efforts in areas intended to enhance SSA's management and overall performance and align its activities to correspond to the areas we have identified as crucial to the success of SSA's mission. Moreover, we will identify and assist SSA in mitigating emerging vulnerabilities to maximize the support we provide to SSA management in this time of rapid technological change and legislative reform.

## **PERFORMANCE MEASURES**

We believe the best measurement of an OIG's excellence is its dollar return on investment. In other words, what did the taxpayers receive in return for the funds budgeted to OIG?

## **PERFORMANCE GOALS**

- 1. Identify opportunities for increased economy and efficiency in SSA operations and assist management by identifying, recommending, and developing appropriate management reforms.***

### **Performance Goal for FY 1999**

Improve SSA's operations.

### **Objectives**

Enhance the effectiveness and efficiency of Social Security programs. Increase the accuracy of Social Security benefit payments.

### **Performance Indicators**

Audit reports with recommendations that are focused on management improvements for the Agency's strategic issues (see Strategic Assessment above).

Audit reports with recommendations for cost savings and funds to be put to better use, economy and efficiency improvements, and enhanced prevention and detection of fraud.

Reports from the Payment Accuracy Task Force that contain recommendations to improve the accuracy of Social Security benefit payments.

### **Performance Standard**

OIG will issue 75 final audit reports per year containing \$200 million in costs savings and funds to be put to better use.

- 2. Protect the integrity of SSA programs and operations by identifying and mitigating emerging vulnerabilities, including increasing instances of fraud and new types of fraud exposures, that result from changes in the Agency's methods of doing business and from changing legal and administrative requirements.**

**Performance Goal for FY 1999**

Contribute to improved stewardship of SSA.

**2a. Objective**

Participate in the implementation of long-term management reforms such as GPRA and the Government Management Reform Act of 1994, as amended, through our audits and evaluations.

**Performance Indicators**

Audit and evaluation reports that address GPRA design and implementation.

Annual audit of SSA's financial statements and Accountability Report.

Length of time to complete each audit.

**Performance Standards**

OIG will issue five audit and evaluation reports that address SSA's performance measures each year.

Seventy-five percent of all audits will be completed within 9 months of their start.

## **2b. Objective**

Develop comprehensive and timely responses to fraud concerns.

### **Performance Indicators**

Percentage of cases completed in a timely manner.

Number of allegations addressed by investigations.

### **Performance Standards**

Percentage of cases opened that are closed within 18 months.

Fiscal Years 1999 and 2000 - 80 percent

Number of allegations that will be opened as investigations

Fiscal Year 1999 - 5,700

Fiscal Year 2000 - 7,200

## **3. Act as agents of positive change by striving to improve the delivery of OIG work products; continuously focusing on performance and results; valuing our investment in OIG employees.**

### **Performance Goal for FY 1999**

Operate OIG in an efficient and productive manner.

## **3a. Objective**

To use the resources and personnel in the Office of Audit in a cost-effective and operationally efficient manner.

### **Performance Indicators**

Time charged to each audit assignment.

Cost of each audit.

### **Performance Standards**

On average, each audit will use one full-time equivalent position in work hours.

The cost of each audit will not exceed its benefit.

### **3b. Objective**

To use the resources and personnel in the Office of Investigations in a cost-effective and operationally efficient manner to deter fraud, waste, and abuse and protect the SSA trust funds.

#### **Performance Indicators**

Number of criminal convictions.<sup>1</sup>

Dollar amounts reported from penalties, assessments, and savings related to investigative activities.

#### **Performance Standards**

Number of criminal convictions related to investigative activities.

Fiscal Year 1999 - 1,800

Fiscal Year 2000 - 1,800

Amount of SSA dollars reported related to investigative activities.

Fiscal Year 1999 - \$35 million (SSI - \$18 million; OASDI - \$17 million)

Fiscal Year 2000 - \$64 million<sup>2</sup> (SSI - \$55 million; OASDI - \$9 million)

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<sup>1</sup> Includes deportation.

<sup>2</sup> These changes reflect the Office of Investigations' reallocation of resources to respond to the Agency's focus on the vulnerabilities of the SSI program.